

CSA Guide to Monthly Suppression of Terrorism and Canadian Sanctions Reporting ("STCS Guide")

Introduction

Registrants, exempt dealers, and exempt advisers (**firms**) can refer to this guide when preparing monthly reports under suppression of terrorism and Canadian sanctions laws.

The guide is intended to assist firms and is not a substitute for legal advice.

Federal Provisions

Canada's laws against terrorist financing and sanctioned individuals and entities are contained in federal Canadian statutes and regulations, such as the *Criminal Code* (Canada).

The *Criminal Code* (Canada) and any current or future laws relating to the suppression of terrorism or Canadian sanctions are referred to in this guide as **Federal Provisions**.

Monthly STCS Reports

Under some Federal Provisions, firms are required to determine whether they have the property of Designated Persons.¹

In some cases, those Federal Provisions will also require firms to file a monthly report (**Monthly STCS Reports**) to their provincial securities regulator (**Principal Regulator**).

This includes the reporting of a *Nil* response even when the firm determines that it does not possess or control a Designated Person's property.

Currently, firms are only required to file Monthly STCS reports under the *Criminal Code* (Canada) and the *Justice for Victims of Corrupt Foreign Officials Act*.

Firms can use the following lists as a guide when filing Monthly STCS Reports:

- <https://laws-lois.justice.gc.ca/eng/regulations/SOR-2002-284/FullText.html>

¹ Each Federal Provision includes a list of Designated Persons. Not all Federal Provisions use the same defined term when referring to such persons or entities. Examples of the defined terms used in various Federal Provisions include: "designated person" "listed entity", "listed person", "person associated with Al-Qaida", "person associated with the Taliban", and "foreign national". These terms are often used interchangeably when discussing sanctions, although regulations are specific in their usage of the terms.

- <https://laws-lois.justice.gc.ca/eng/regulations/SOR-2017-233/page-2.html#h-842596>

Reports are submitted on the 14th day of each month, to the Principal Regulator. A senior officer of the firm, preferably the Chief Compliance Officer, should sign the monthly report.

Overview of certain duties

In addition to the Monthly STCS Report requirement, there are other obligations included in Federal Provisions, outlined at a high level below.

We remind firms that provincial securities regulators only receive the Monthly STCS Reports.

Canadian federal entities are responsible for the Federal Provisions. Firms should contact these federal entities or their legal counsel with any questions regarding their obligations.

Duty to determine: Designated Persons

Firms are required to determine whether they have the property of a Designated Person. This could include property owned or controlled by the Designated Person.

When firms are reviewing their process to determine a Designated Person, the Government of Canada's Economic Sanction Page may be helpful: https://www.international.gc.ca/world-monde/international_relations-relations_internationales/sanctions/index.aspx?lang=eng.

The Listed Person subsection may be particularly relevant:

https://www.international.gc.ca/world-monde/international_relations-relations_internationales/sanctions/listed_persons-personnes_inscrites.aspx?lang=eng

In some cases, consolidated lists have been created.

- the Consolidated Canadian Autonomous Sanctions List includes the names of any listed persons (both individuals and entities) in the schedules of regulations made under the *Special Economic Measures Act* and the *Justice for Victims of Corrupt Foreign Officials Act*: https://www.international.gc.ca/world-monde/international_relations-relations_internationales/sanctions/consolidated-consolide.aspx?lang=eng
- regulations made under Canada's *United Nations Act* refer to Designated Persons as listed by the relevant United Nation's Security Council Committee. The Consolidated United Nations Security Council Sanctions List is also available on the United Nations web site: <https://www.un.org/securitycouncil/>

In other cases, stand alone lists are provided, such as for the *Justice for Victims of Corrupt Foreign Officials Regulations* and *Criminal Code*:

- <https://laws-lois.justice.gc.ca/eng/regulations/SOR-2002-284/FullText.html>
- <https://laws-lois.justice.gc.ca/eng/regulations/SOR-2017-233/page-2.html#h-842596>

Freezing property

Federal Provisions usually do not allow any person in Canada and any Canadian outside Canada to knowingly:

- deal, directly or indirectly, with property of a Designated Person,
- enter into or facilitate, directly or indirectly, any transaction in respect of such property, or
- provide any financial or other services for or for the benefit of a Designated Person.

Please refer to the text of a specific Federal Provision for clarity on prohibited dealings and activities.

Duty to disclose – RCMP and CSIS

Federal Provisions usually require any person in Canada and any Canadian outside Canada to immediately report any property or transactional information related to a Designated Person, to either the Royal Canadian Mounted Police (**RCMP**) or the Canadian Security Intelligence Service (**CSIS**) or both (depending on the Federal Provision).

Information can be provided to these organizations as follows:

RCMP

Anti-terrorist Financing Team

Unclassified fax: 613-825-7030

CSIS

Financing Unit

Unclassified fax: 613-369-2303

There are also additional reporting requirements under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, which require the submission of a terrorist property report to the Financial Transactions and Reports Analysis Centre of Canada (**FINTRAC**).

For instructions relating to the preparation and submission of this report, reporting entities should visit the FINTRAC website at: <http://www.fintrac-canafe.gc.ca>.

Conclusion

Please note that there are other Federal Provisions for which the Government of Canada does not provide up to date lists. Firms will need to have procedures in place to ensure they are monitoring for all applicable Designated Persons.

Federal Provisions are updated frequently. It is important that firms review their procedures and this guide periodically. CSA staff recommend that this be done monthly.